

H1 2014
JANUARY - JUNE

30th July 2014

Disclaimer

This document has been prepared by ACCIONA, S.A. (“ACCIONA” or the “Company”) exclusively for use during the presentation of financial results for the first half of 2014 (H1 2014). Therefore it cannot be disclosed or made public by any person or entity with an aim other than the one expressed above, without the prior written consent of the Company.

The Company does not assume any liability for the content of this document if used for different purposes thereof.

The information and any opinions or statements made in this document have not been verified by independent third parties, nor audited; therefore no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein.

Neither the Company, its subsidiaries or any entity within ACCIONA Group or subsidiaries, any of its advisors or representatives assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents.

The information contained in this document on the price at which securities issued by ACCIONA have been bought or sold, or on the performance of those securities, cannot be used to predict the future performance of securities issued by ACCIONA.

Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

IMPORTANT INFORMATION

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated from time to time), Royal Decree-Law 5/2005, of March 11, and/or Royal Decree 1310/2005, of November 4, and its implementing regulations.

In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, nor a request for any vote or approval in any other jurisdiction.

Particularly, this document does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking information and statements about ACCIONA, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

Although ACCIONA believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ACCIONA shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ACCIONA, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents sent by ACCIONA to the Comisión Nacional del Mercado de Valores, which are accessible to the public.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of ACCIONA. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to ACCIONA or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included herein are based on information available to ACCIONA, on the date hereof. Except as required by applicable law, ACCIONA does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

1. H1 2014 key highlights

H1 2014 key highlights

H1 2014 key highlights

1

Strategic
alliance with
KKR

- ▶ Sale of a 1/3rd stake in ACCIONA Energía Internacional
- ▶ Acquisition price of €417m + Earn-out (€50m) + Management fee
 - 2.3GW net operating renewable capacity
 - 55 assets in 14 international markets
 - c.€120m cash distributable to partners

2

H1 highlights

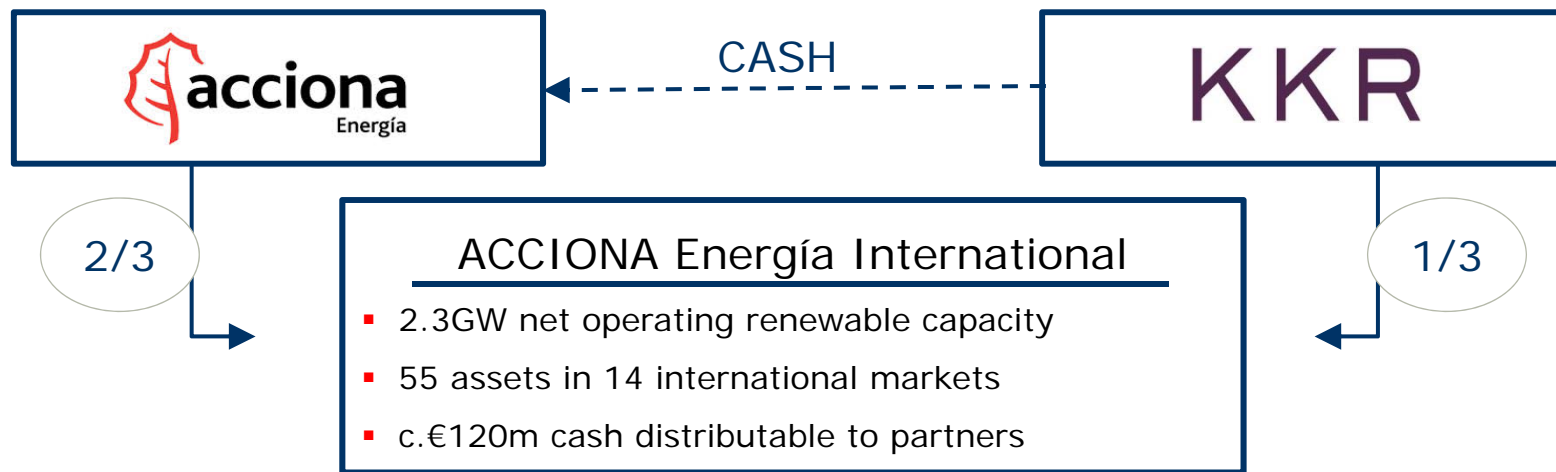
- ▶ New accounting since January 2014:
 - IFRS 11 implementation
 - Extension of accounting useful life for wind assets
- ▶ Renewables: New remuneration scheme applicable since July 2013 (RDL 9/2013)
- ▶ Extraordinary capital gains from disposals in H1 2014:
 - German wind assets
 - Two minority stakes in transport concessions

1 Strategic alliance with KKR

Minority partnership

KKR acquires a 1/3 stake in AEI for €417m (excluding earn-out)

The relationship of the partners will be governed by a Shareholders Agreement



Management Services Agreement

AE will provide AEI fully-comprehensive services required for its proper operation in exchange of an annual fee

Right Of First Offer

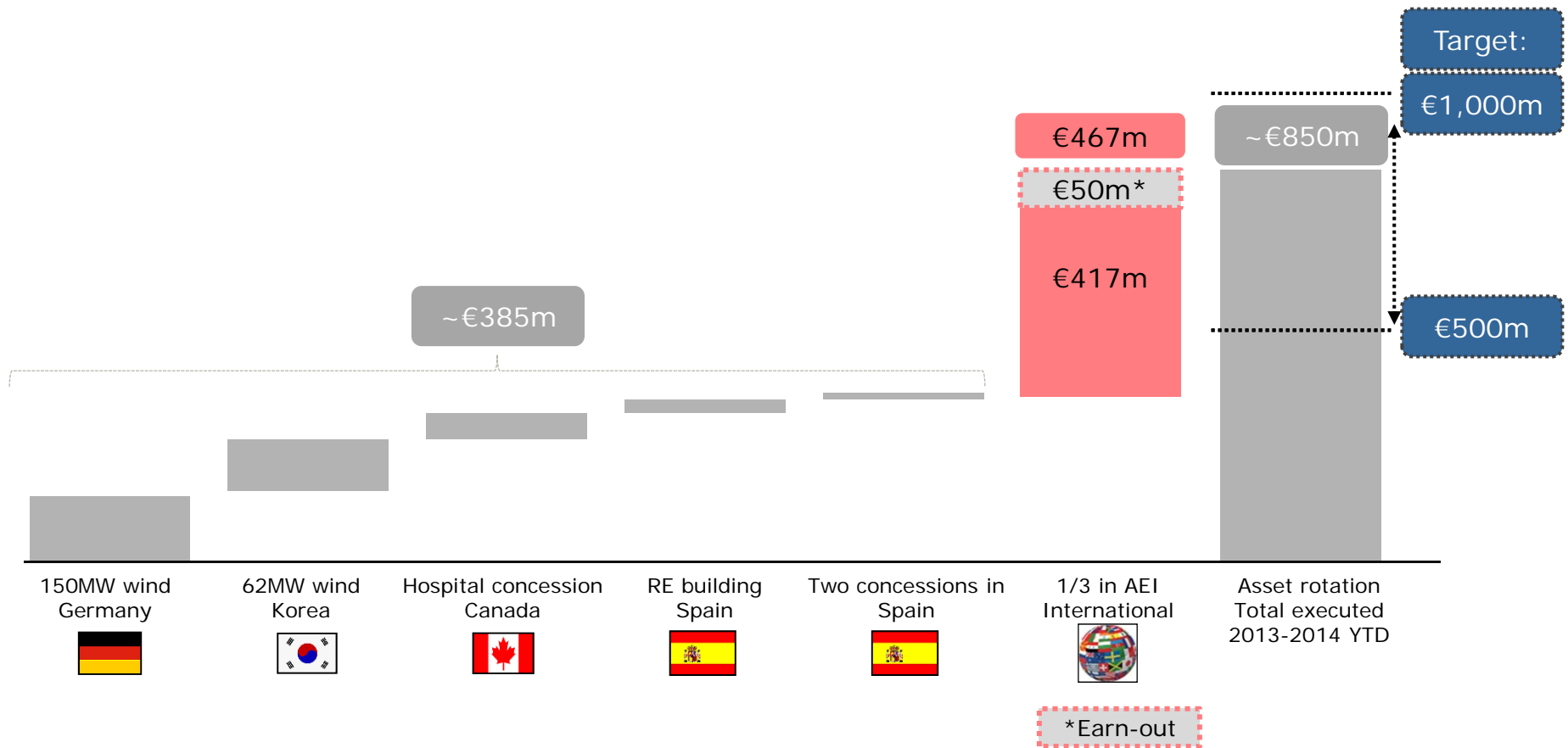
AE will grant AEI a ROFO on future assets developed within AEI operational territory

Potential YieldCo

The agreement reflects the partners' intention to pursue the international listing of a YieldCo with a significant subset of AEI assets




1 Partnership with KKR

Consistent with ACCIONA's strategy asset rotation and incorporation of minority shareholders to core businesses → Initial target for the period 2013-2014 of €500m-€1,000m¹ exceeded with this landmark transaction









Including debt deconsolidated

2 H1 2014 key highlights

<p>Accounting (Since Jan 2014)</p>	<ul style="list-style-type: none"> ▶ IFRS 11 implementation: New consolidation method → Proportionally accounted assets now accounted by equity method ▶ Extension of accounting useful life: Extension from 20 to 25 years of the wind assets, in line with sector 	<ul style="list-style-type: none"> ▶ H1 2013 restated to be comparable ▶ Impact H1 2014: <ul style="list-style-type: none"> • 7,006 wind MW (5,486MW attrib.) • Depreciation: -€61m <div style="text-align: right;">  <p>+€61m</p> </div>
<p>Renewables Spain</p>	<ul style="list-style-type: none"> ▶ New regulatory framework applicable since July 2013 ▶ New remuneration scheme based on pool + investment incentive (€/MW) to achieve "regulated return" 	<ul style="list-style-type: none"> ▶ Impact RDL 9/2013 H1 2014: <ul style="list-style-type: none"> • Revenues: -€131m • EBITDA: -€121m • EBT: -€152m (incl. equity accounted) <div style="text-align: right;">  <p>-€152m</p> </div>
<p>Disposals</p>	<ul style="list-style-type: none"> ▶ Disposal of German wind assets (150MW) for EV €157m ▶ Debt decons. as of Dec 2013: €85m ▶ Sale of two minority stakes of 11.78% and 12.88% of two transport concessions in Barcelona to Globalvía 	<ul style="list-style-type: none"> ▶ Impact H1 2014: <ul style="list-style-type: none"> • No P&L contribution for 2014 • Capital gain: +€28m / Cash: +€67m ▶ Impact H1 2014: <ul style="list-style-type: none"> • Cash: +€16m • Capital gain: +€8m <div style="text-align: right;">  <p>+€39m</p> </div>

H1 2014 key figures

	(€m)	% Chg. vs H1 2013	
Revenues	3,005	-2.5%	
EBITDA	472	-16.3%	
EBITDA (ex regulatory impact)	593	+5.1%	
EBIT	254	+18.2%	
Ordinary capex	190	-6.4%	
NFD	5,848	-12.3%	

2. Group financial information

Group: Capex by division

Capex breakdown By division

(€m)	Capex	
	Jan-Jun 13	Jan-Jun 14
Energy	93	188
WISE	110	21
Infrastructure	95	10
Water	12	5
Service	4	6
Other Activities	0	-18
Net ordinary capex	203	190
Extraordinary divestments	0	-83
Total net capex	203	108

-6%

Key highlights

- Net ordinary capex slightly below H1 2013 (-6%)
- Energy captures most of the investment effort:
 - 266MW under construction
 - 100% international
 - 174MW wind
 - 92MW SPV
 - 17MW wind and 2MW SPV installed during H1 2014
- €83m of extraordinary divestments correspond to cash proceeds of:
 - The sale of German assets (150MW) completed in January 2014
 - The sale of two transport concessions in Spain in June 2014

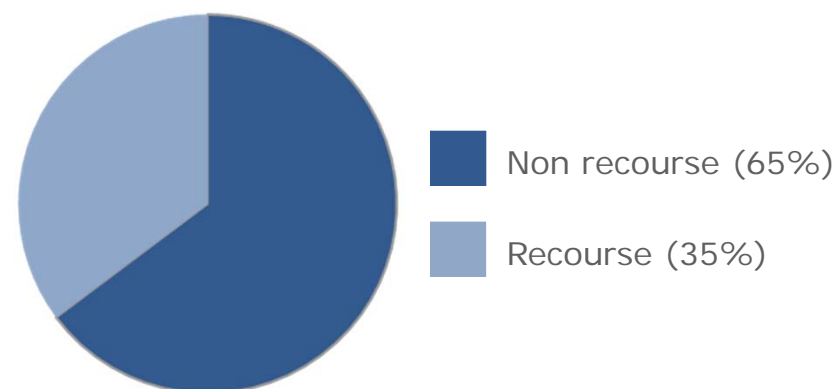
Group: Debt breakdown by division and nature

Net debt breakdown By division

(€m)	Net Debt 31-Dec-13	Net Debt 30-Jun-14
Energy	4,810	4,607
WISE	222	437
Infrastructure	142	295
Water	54	104
Service	26	39
Other Activities	1,008	804
Total Net Debt	6,040	5,848

-3%

Gross debt breakdown By nature



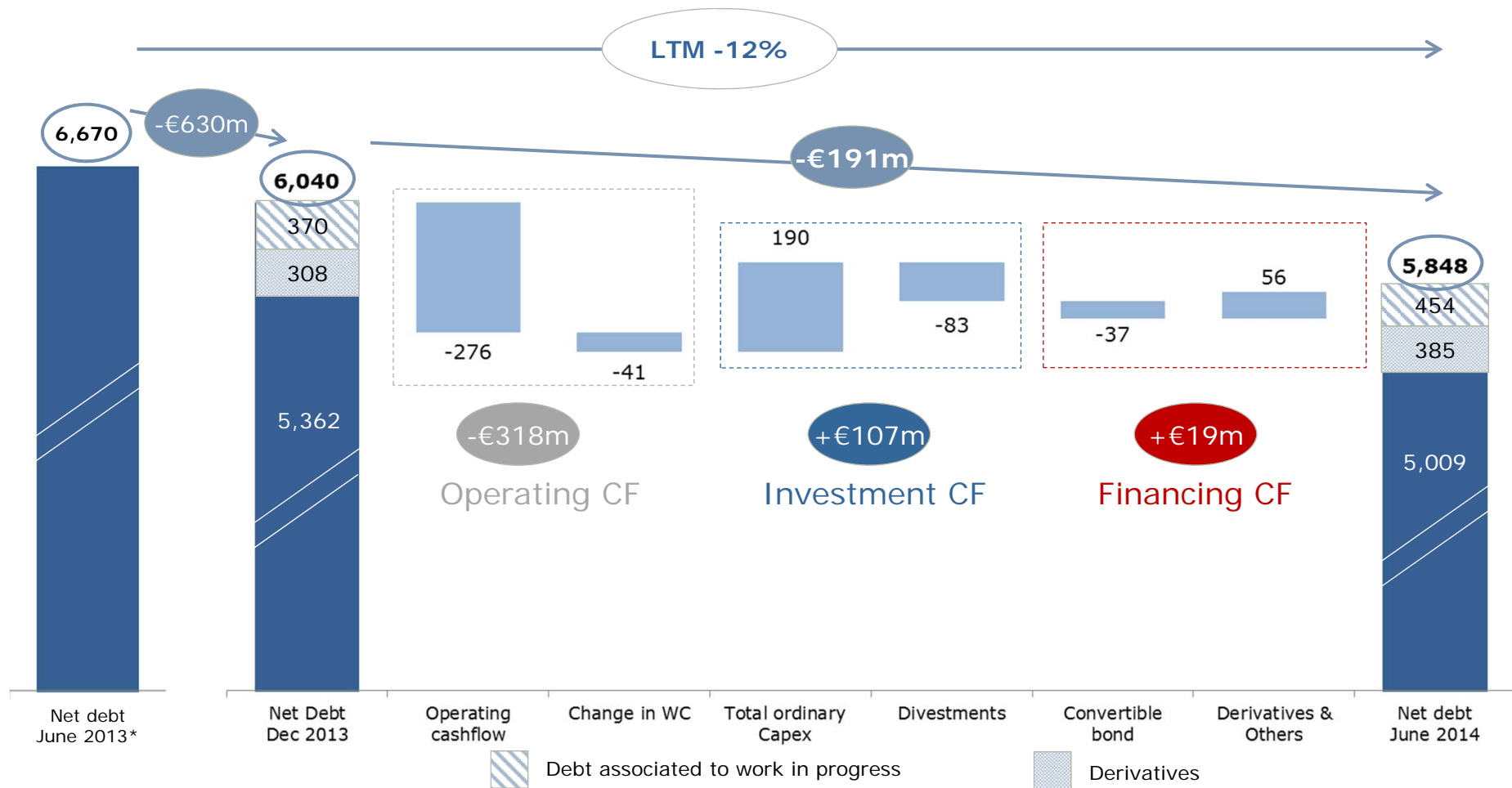
€7,380m

(Million Euro)	30-Jun-14
Gross debt	7,380
Cash & cash equivalents	-1,531
Net Financial Debt	5,848

Diversification of funding sources (convertible bond, private placement, EIB loan, EMTN programme and ECP)

Group: Net debt evolution

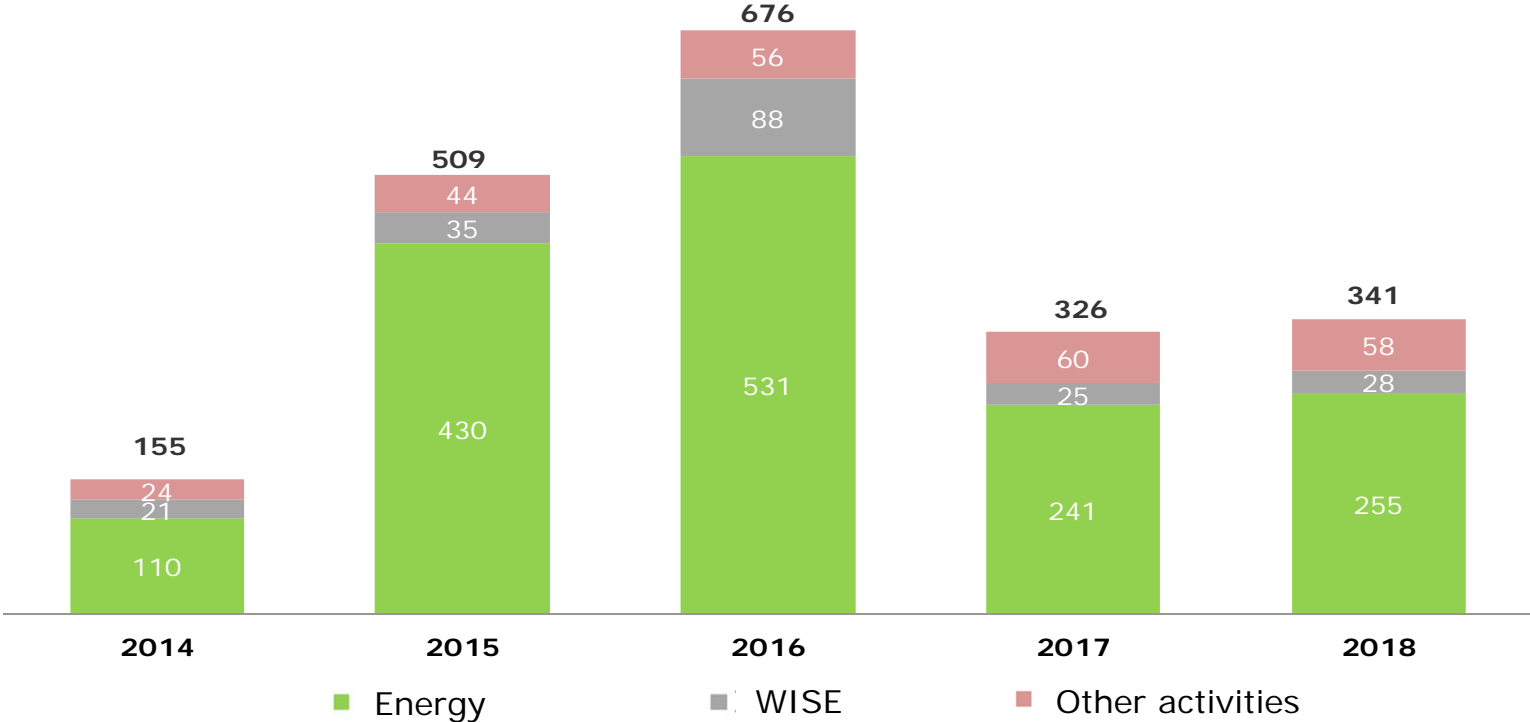
Net debt reconciliation H1 2014 (€m)



*IFRS 11 restated

Group: Debt amortization schedule

Principal repayment schedule 2014-2018 (€m)¹



Undrawn corporate credit lines of €1.8bn as of 30th June 2014

¹ Excludes bilateral credit policies, project bridge financing and real estate development loans
 Note: Repayment schedule during the period to December 2018

Group: Transforming ACCIONA's corporate debt structure

Main objectives

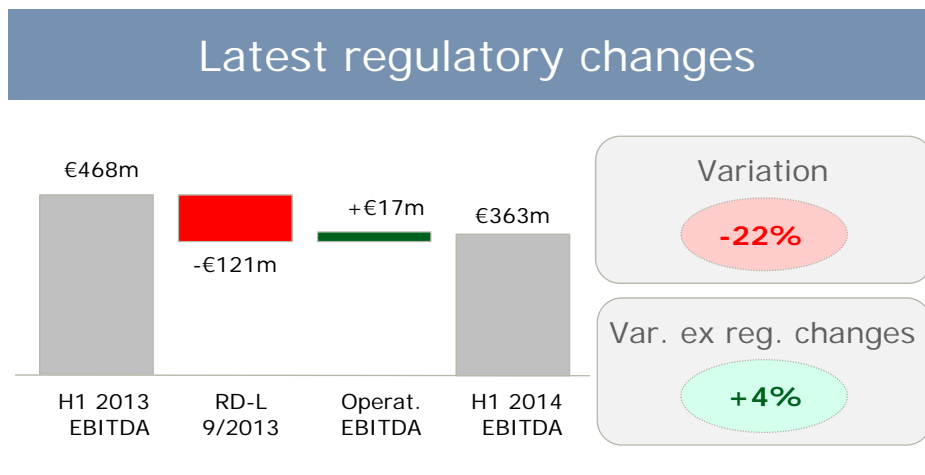
- Diversify access to corporate debt financing, reducing traditional dependence on banking debt, increasing access to capital markets
- Extend average life of corporate debt
- Reduce financing costs and optimise liquidity
- Focus corporate debt by simplifying structure and reducing structural subordination of new debt instruments we are issuing (i.e. bonds)

Significant progress to date on this gradual transformation

- Convertible bond, private placement, EIB loan, EMTN programme, and commercial paper programme – €1.1m as of July, reducing bank finance to c. 55%
- >50% of credit lines moved to finance entity ACCIONA Financiación Filiales. Target close to 100% by year end
- Considering reducing credit line limits given ample liquidity position in order to reduce financing costs associated to up-front and availability fees
- Cash pooling at groupwide level – fully implemented by year-end

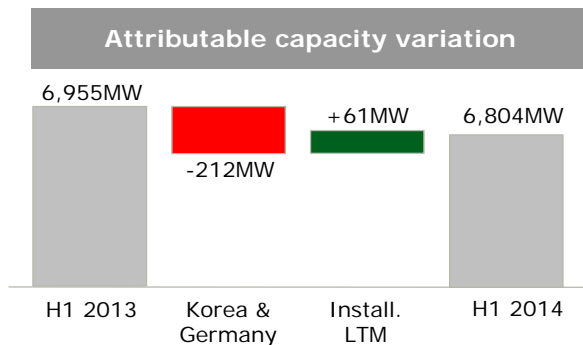
Energy: Key figures

Key figures				
(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Revenues	1,047	980	-66	-6.3%
EBITDA	468	363	-104	-22.3%
<i>Margin (%)</i>	44.7%	37.0%		



Capacity

- Reduced perimeter (-151MW) after the sale of 212MW (Korea and Germany) partially offset by the installation of 61MW



Production

- Attributable production in line (despite having a reduced perimeter) mainly driven by hydro and international wind

Attributable TWh	Jan-Jun 14	Chg. (%)
Wind spain	4.00	-6.1%
Wind international	3.14	+5.0%
Hydro	1.73	+5.5%
Solar and other	0.46	-10.1%
TOTAL	9.32	-0.7%

Industrial & Develop.

- Net improvement of €25m relative to the same period last year, boosted by the good performance of AWP

EBITDA (€m)	Jan-Jun 14	Chg. (€m)
Biofuels & others	0	+1
Windpower	-5	+23
D&C ¹	-17	+2
TOTAL	-22	+25

¹ Development and Construction

Energy: Severe impact of cumulative measures

Impact of regulatory changes 2012-2013

	Law 15/2012 ¹ + RDL 2/2013 ²	RDL 9/2013	= Total impact	
Revenues	-€16m	-€131m	-€147m	
EBITDA	-€60m	-€121m	-€181m	
EBT	-€65m	-€152m	-€216m	













EBT would have been €216m higher excluding the total impact of regulatory measures introduced in Spain since 2012

¹ Law 15/2012: 7% generation revenue tax, hydro levy and CSP economic framework

² RDL 2/2013: Removal of the pool + premium option and revision of the tariff update formula

Energy: Wind drivers by country

Wind prices (€/MWh) and Load factors (%)

	H1 2014		H1 2013		Chg. (%)
	Av. price (€/MWh)	LF (%)	Av. price (€/MWh)	LF (%)	Av. price (€/MWh)
 Spain Average	47.9	27.8%	85.6	29.7%	-44.0%
<i>Spain - Regulated</i>	56.9	-	-	-	-
<i>Spain - Not regulated</i>	28.4	-	-	-	-
 Canada	40.2	35.0%	55.1	38.0%	-27.1%
 USA	42.4	44.0%	43.3	38.1%	-2.2%
 India	42.6	25.4%	45.0	28.9%	-5.5%
 Mexico	51.6	39.9%	52.4	37.2%	-1.5%
 Australia	61.1	34.8%	66.0	34.0%	-7.4%
 Greece	87.5	32.3%	90.0	32.6%	-2.8%
 Poland	97.8	26.4%	98.8	18.1%	-1.0%
 Croatia	103.8	34.8%	105.3	n.m.	-1.4%
 Portugal	104.6	33.2%	105.2	34.2%	-0.5%
 Hungary	111.3	24.9%	114.5	27.8%	-2.8%
 Italy	147.0	19.3%	146.3	20.5%	0.5%


Note: USA includes a "normalized" PTC of 23\$/MWh (~17€/MWh)

Energy: Installed capacity and under construction

Installed MW + Under construction MW @ H1 2014

MW	Installed MW			Under constr.
	Total	Attributable	Eq accounted	Attributable
Wind Spain	4,743	3,466	619	0
Wind international	2,263	2,021	48	174
Conventional Hydro	681	681	0	0
Hydro special regime	248	248	0	0
Solar Thermoelectric	314	314	0	0
Biomass	61	61	0	0
Solar PV	51	6	30	92
Cogeneration	9	9	0	0
TOTAL	8,370	6,804	697	266

Wind - Under construction
 → Chile 36MW 
 → South Africa 138MW 

SPV - Under construction
 → South Africa 92MW 



Note: Attributable MW means consolidated MW

Energy: Capacity under the equity accounting method

Detail of capacity via the equity accounting method

30-Jun-14	H1 2014 (proportional figures)				
	MW	GWh	EBITDA	NFD	Average COD
Wind Spain	619	842	20	262	2005
Wind International	48	63	3	15	2005
Australia	33	43	2	10	2005
Hungary	11	12	1	5	2006
USA	4	8	0	0	2003
Solar PV	30	28	10	108	2008
Total equity accounted	697	933	33	385	2006

The 697MW contributed €5m in H1 2014 results as income from associates

Infrastructure: Key figures and backlog

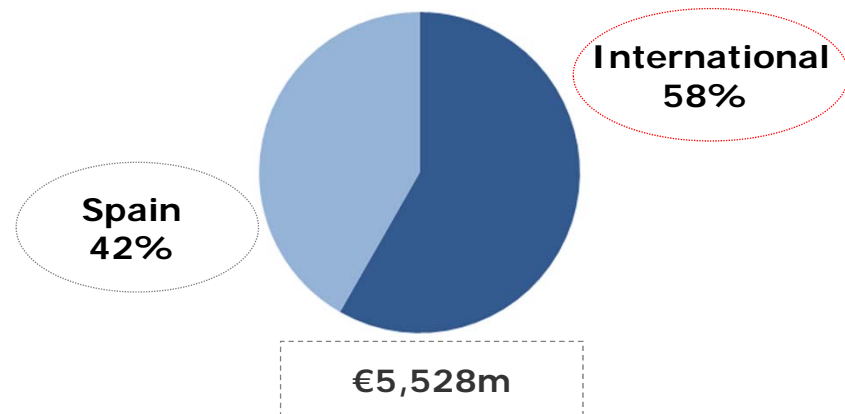
Key figures

(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Revenues	1,303	1,186	-117	-9.0%
EBITDA	56	45	-11	-19.3%
<i>Margin (%)</i>	4.3%	3.8%		

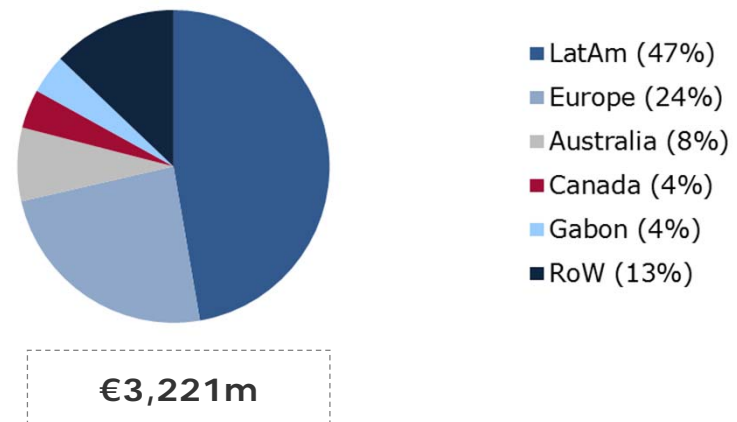
Key highlights

- Revenues decrease due to lower volumes in construction
- Concessions: Revenues in line and higher EBITDA (+8.3%) → No effect from the disposal of Royal Jubilee Hospital in Canada in 2013 (equity accounted)
- International backlog reaches an overall weight of 58%

Construction backlog H1 2014



International backlog H1 2014 By region



Infrastructure: Concessions



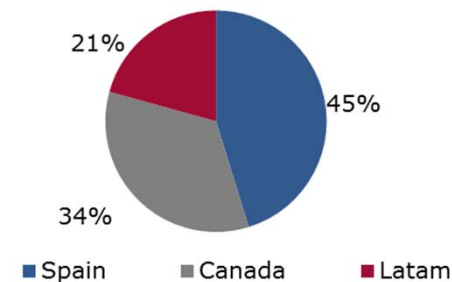
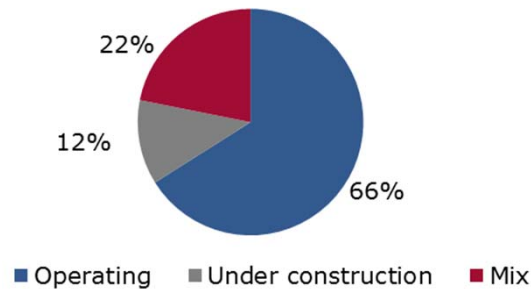
	Road	Rail	Canal	Port	Hospital	Total
# of concessions	12	1	1	1	5	20
Proportional EBITDA H1 2014 (€m)	48	1	1	0	11	58
<i>Consolidated EBITDA H1 2014 (€m)</i>	17	0	0	0	7	20
Average life (yrs)	33	35	30	30	29	31
Average consumed life (yrs)	7	5	8	9	6	7
Invested capital (€m)	1,338	43	63	17	237	1,776

Equity:
€429m
Net debt¹:
€1,347m

By degree of construction

By region

Invested capital
(€1,776m)



Note: EBITDA and invested capital include -€4m and +€79m from holdings respectively. Lives are weighted by BV excluding holdings
¹Debt figure includes net debt from concessions held for sale (€21m) and those accounted by the equity method (€936m)

Water and Service

Water: key figures

<i>(Million Euro)</i>	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Revenues	222	214	-8	-3.7%
EBITDA	12	11	-1	-9.7%
<i>Margin (%)</i>	5.6%	5.2%		

Key highlights

- ACCIONA Water includes: construction & operation of desalination, waste water and reuse plants. Also includes water concessions (around 6 million people served)
- Water backlog stands at €9.8bn

Service: key figures

<i>(Million Euro)</i>	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Revenues	289	335	47	16.1%
EBITDA	7	9	2	36.4%
<i>Margin (%)</i>	2.3%	2.7%		

Key highlights

- ACCIONA Service includes: facility services, airport handling, waste management, logistic services and other
- Revenues up 16.1% to €335m boosted by higher volumes at facility services
- EBITDA increase of 36.4% driven by handling activity

Other activities

Other activities: key figures

(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Revenues	279	339	60	21.6%
EBITDA	21	42	20	96.4%
<i>Margin (%)</i>	7.6%	12.3%		

Other activities: EBITDA breakdown

(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Trasmediterranea	-7	-5	2	-26.6%
Real Estate	-0.3	5	6	n.m.
Bestinver	31	44	12	39.4%
Winery	0.2	0.5	0.3	150.1%
Corp. & other	-3	-3	0.3	-11.0%
EBITDA	21	42	20	96.4%

Key highlights

Trasmediterranea:

- Trasmediterranea's EBITDA amounted to -€5m compared to -€7m from previous year
- EBITDA increases by €2m due to higher average prices for passengers and vehicles in the period

Real Estate:

- Real Estate EBITDA reached €5m boosted by positive performance of the international development activity (Mexico in particular)

Bestinver:

- AUM reached €10,198m as of June 2014, +14.2% with reference to December 2013
- Bestinver reported EBITDA of €44m (+39.4%) vs. H1 2013

3. Closing remarks

Closing remarks

Results severely impacted by new regulation

→ Regulatory impact (RDL 9/2013): -€152m EBT

→ Total impact (Law 15/2012+ RDL 2/2013 + RDL 9/2013): -€216m EBT

Improvements at operating level (vs. June 2013)

→ EBITDA up +5% ex regulatory impact (RDL 9/2013)

→ Net debt down by 12% and increased liquidity up by +46%

Rigorous Action Plan for the transformation of growth model:

→ Minority partnership with KKR

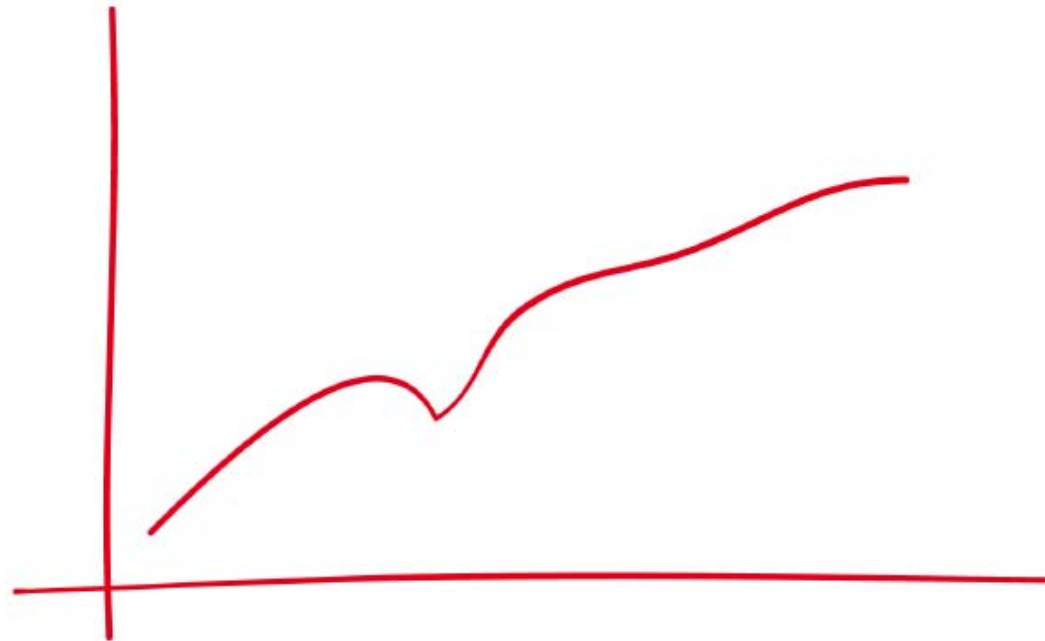
→ Disposals on track

→ Cost cutting

→ 2013 dividend cancellation

→ Corporate debt structure transformation

→ Reorganisation



H1 2014
JANUARY - JUNE

30th July 2014